

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: AB1283

Project Name	Second School Access and Improvement
Region	MIDDLE EAST AND NORTH AFRICA
Sector	Secondary education (40%); Primary education (40%); Central government administration (20%)
Project ID	P086994
Borrower(s)	REPUBLIC OF DJIBOUTI
Implementing Agency	
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Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Safeguard Classification	<input type="checkbox"/> S ₁ <input checked="" type="checkbox"/> S ₂ <input type="checkbox"/> S ₃ <input type="checkbox"/> S _F <input type="checkbox"/> TBD (to be determined)
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1. Country and Sector Background

Djibouti is a small country where poverty is high and on the increase. Djibouti's population is estimated at 700,000¹, with 65% living in the capital city, 83% living in urban areas, and 26% composed of refugees. In 2002, about three-fourth of the population (74%) lived under the relative poverty line and 42.2 % under extreme poverty, compared to 65% percent and 34%, respectively in 1996. Unemployment is estimated at 60% and contributes about 65% to extreme poverty. The country's economy is mainly based on the revenues that are generated from the activities of the port of Djibouti and services provided to Ethiopia and Northern Somalia, as well as the international military stationed in the country.

Djibouti's social indicators rank 157th among 174 countries on the UNDP Human Development Index. Even by East African regional standards, Djibouti has extremely high rates of infant and under-five mortality, at 114 and 165 per 1000 live births, respectively. Maternal mortality, estimated at 740 per 100,000 live births, is one of the highest in the world. This is largely attributable to high fertility rates. Malnutrition is a serious problem in Djibouti, with indications that 14% of children under the age of five suffer from acute malnutrition and 31%

¹ / The EDAM and PAPFAM survey have come up with a population figure of 520,000. However, this figure has yet to be validated by Government. In line with the PRSP, the United Nations' demographic database is the basis for this project; it estimates current population at around 650,000.

from chronic malnutrition. Life expectancy is estimated at 49 years, one of the shortest in the world. Wide gender gap and female genital mutilation are major social development challenges. There is great uncertainty regarding HIV/AIDS prevalence levels given that disease surveillance systems are not yet functional. A recent seroprevalence survey indicated that seroprevalence rate is high for the at-risk group, and particularly in Djibouti-ville. The knowledge of HIV/AIDS transmission is low among the general population.

Despite progress in expanding access, Djibouti's education system is not on track to meet the Millennium Development Goals (MDG). In spite of progress in expanding access to primary education, 50% of children are still out of school and many children drop out of primary school and do not complete the six years of primary education. Illiteracy is an especially severe problem, as it affects 70% of the population. The problem is particularly acute for women (85% of this group is illiterate). There are also large inequalities in access to education services as enrollment varies widely across regions, by gender and by income levels. Moreover, the system is very costly due to high unit costs for school construction, learning and teaching materials, and teacher salaries, which makes the achievements of reaching the education-related MDG uncertain. Moreover, pressures on the education system will intensify, both as a result of steady demographic growth (population growth rate is estimated at 2.4%) and increased demand for quality of education.

The Government of Djibouti in general and the Ministry of Education in particular, are acutely aware of these issues and developed and outlined their objectives and strategies in three main documents:

- (a) Ten-Year Perspective Plan (*Schéma Directeur 2000-2010*),
- (b) Medium-Term Plan 2000-2005 (*Plan d'action à moyen terme*), and
- (c) New Education Law (*Loi d'orientation du système éducatif*).

These documents are a result of the National Education Forum (*Etats généraux de l'Education*) organized in a participatory manner in December 1999. Essentially, these documents set the objective of universal primary enrolment to 2010 with progressive increases in access to middle and secondary schools, and significant improvements in quality at all levels. The strategies proposed for achieving these objectives include : (i) significant increase in school facilities, (ii) creating a nine-year basic education cycle, (iii) introducing the competence-based approach and promoting in-service teacher training, (iv) improving management and pedagogic support, (v) reviewing the curriculum in light of the competence-based approach, and (vi) strengthening partnerships with the private sector and communities.

Following-up on the Ten-Year Plan, IDA assisted the Government through a Program Adaptable Lending Program (APL) which spans the ten year period, broken down in three project tranches. The first phase of the APL is almost completed, with an advance on activity completion by about six months. The second phase, which is the subject of the present report, will build on the success of the first phase, with an added focus on quality and the transition of the reform measures from primary to middle schools.

2. Objectives

The development objective of the second phase is to increase equitable access to better quality education, especially for girls and underserved groups.

3. Rationale for Bank Involvement

There are four principal reasons for IDA to support education expansion in Djibouti:

First, *education is a central issue in Djibouti's development agenda*. It is a vital requirement for the country's growth strategy. Since Djibouti has very little other natural resources and the economy is mainly dependent on port activities, improved quality of the human resources base is essential for future competitiveness in the regional economy. IDA can assist Djibouti in identifying best practices in other countries with similar contexts and help them implement policy measures which increase coverage and quality of basic education to generate more equitable benefits.

Second, *IDA already plays a leading role in the area of public finance management*. Djibouti's education expenditures, relative to GDP, have increased over recent years and remain one of the highest among countries with similar levels of per-capita income. Estimated total spending on public education relative to GDP averaged 6.3% over the past three years, and around 20% of the Government budget is allocated to education². However, the bulk of expenditures are used toward salaries which leaves little room for capital investment, quality improvements, and sustainability. IDA's experience with the country's micro-economic policy environment will assist the Government to: (i) strengthen the link between education sector expansion and macro-economic stability, and (ii) ensure that increased and relevant education programs for the labor force lead to positive change in the prevailing economic environment.

Third, *IDA has maintained a constant relationship with the Government of Djibouti, thereby gaining considerable sector experience and trust from the Government and stakeholders*. Over the past decade, IDA provided extensive technical and financial support to the development of Djibouti's education system. Efforts deployed led to continued progress in expanding access. But an important and yet unfinished agenda remains especially with respect to quality and inclusion. To meet the *Education for All* goals, inclusive education and improved quality are essential. IDA can share its global experiences with Djibouti and introduce innovative models.

Fourth, *progress in implementing the first phase of the ongoing Adaptable Program Lending (APL) has been very positive*. This phase will be completed ahead of schedule with significant and encouraging results in several areas: (i) increased enrollment with a primary gross enrollment ratio (GER) of 52% (46% for girls, 58% for boys) compared to 39% at the start of the project (32% for girls, 44% for boys) in 2000; (ii) decreased grade repeater rates from 10% to 7%; (iii) increased availability of textbook at a ratio of 1:1 as compared to a previous ratio of 1:4; (iv) increased teacher training; (v) revised and adapted curriculum; and (vi) achievement of key triggers agreed upon for the passage to the second Phase of the APL.

² This excludes French Technical Assistance of about 2% of GDP used to pay for expatriate teachers and training.

4. Description

To consolidate gains from the first phase, the proposed operation will focus on increasing access to basic education for all children. Special attention will be given to girls and children with special needs. In addition, other areas of focus will be on improving primary completion rates, enhancing quality of teaching and learning, and improving the efficiency of financing education through better human resources and financial management.

Component 1 - Increase Access To and Equity of Basic Education. The objective is to increase student enrolment and retention. Special attention will be paid to access for girls and children with special needs and ensure that there are adequate facilities for them to complete primary education. This component will finance the construction and rehabilitation of 133 schools in the five districts of the country, as it did during the first phase of the APL: Djibouti, Arta, Tajourah, Ali Sabieh and Obock. Schools will be provided with equipment and school furniture, including an adequate number of latrines to meet the needs of the school population. The component will also include measures to attract more female teacher.

Given the large amount of recurrent expenditures needed to upgrade school buildings and to create a sustainable maintenance program, it was agreed that the project will study various options during the first year of project implementation with a view to reducing construction costs through: (i) modifications to prototypes, (ii) efficiency measures in cost containment of educational expenditures, (iii) stakeholder interventions, and (iv) possibly transferring certain maintenance aspects to the private sector. Subsequently the project will review and assess the possibility of financing a maintenance strategy.

Component 2 - Improve Quality. The objective of this component is to improve the quality of education service provision. The project will support a learning environment conducive to quality learning and teaching. As good-quality education requires skilled instructors, the project will develop a cost-effective, in-service training strategy and support the implementation of this strategy through on-site training and clustering of schools. In addition, the project will assist the MNHE to address the issue of pedagogical equipment shortages. The project will continue to finance the ongoing curriculum reform process, textbook policy development as well as procurement of textbooks. Finally, the project will assist the Government in introducing learning achievement exams through the country's gradual participation in cross-country comparisons.

Component 3 - Improve Efficiency and Capacity Building. The objective of the component is to strengthen the capacity of the MNHE and improve sector management efficiency. The project will pay special attention to improve strategic planning, resources management, monitoring and evaluation and community participation. In addition, the following activities will be undertaken: (i) strengthen the capacity of the MNHE through provision of staff training, technical assistance and equipment, (ii) support the MNHE in introducing or implementing policies that aim at reducing unit costs of school construction, textbooks, as well as at improving teacher recruitment and management, (iii) enhance monitoring and evaluation functions within the MNHE, and (iv) improve intra- and inter-sectoral coordination.

5. Financing

Source:	(\$m.)
BORROWER/RECIPIENT	5.2
INTERNATIONAL DEVELOPMENT ASSOCIATION	10
Total	15.2

6. Implementation

Partnership arrangements. Ever since the national education forum of December 1999, attempts to provide each child with the chance of an education has led to new partnerships between the Government and the MNHE, communities and donors. Both the MNHE and IDA are aware that the goal of achieving universal primary education poses a serious challenge for Djibouti. Over the course of the first phase of the APL, IDA has developed a strong relationship with the donor community in Djibouti. Through this relationship, IDA has been able to assist the Government in obtaining additional resources to finance its reform agenda. Good coordination has been established between IDA, the MNHE, and the donor community. Bi-annual donor coordination meetings are held, and activities have been undertaken to mobilize efforts toward improving the sector. Several donors have launched their interventions in 2004: USAID, the Agence Française de Développement (AFD), the French Cooperation, the African Development Bank, the Islamic Development Bank, and the Saudi Fund.

In order to help Djibouti achieve its educational objectives that feed into the overall MDG, IDA has encouraged and seen the establishment of a local donor working group that is taking the lead in providing technical support to the MNHE. The donor working group is helping the MNHE in preparing a proposal and action plan, which will enable the country to be eligible for funding under the *Education for All* “Fast Track Initiative (FIT).”

Institutional and implementation arrangements

The project will continue to be executed by the MNHE, through the Maintenance and Project Unit (MPU), which used to be the *Bureau des Projets de l'Éducation* (BEPE). This is the same unit that managed the first phase of the project. The unit has been expanded to include a maintenance unit in charge of maintaining the infrastructure and equipment for the education sector. The MPU managed the first phase of the APL in a satisfactory manner, and systems put in place (financial and procurement monitoring). However, because of the increase in donor activity, the MPU will need to be reorganized to be more effective. In addition, an assessment has been launched to review the current skills mix, staff profiles, and the needs for a more efficient organization (be it through training or through additional hiring). During the procurement assessment of May 2004, it was reiterated that a seasoned procurement officer needs to be hired.

7. Sustainability

Using a base-case scenario, current recurrent cost estimates include all levels of education and all sources of funding and grants. Investment expenditures include both new construction and rehabilitation needs for the existing infrastructures (see details in the attached Annex 9).

Projections show that further cost containment efforts are required to achieve enrollment targets. Recurrent expenditures are projected to absorb an increasing share of the education budget, leaving little resources for new school construction or the needed rehabilitation of existing physical infrastructures. Overall, moderate reforms envisaged may not be compatible with expected targets. Thus targets need to be revised unless additional resources are allocated to the sector, or deeper reform efforts are undertaken. The project will work closely with the MNHE during the first year of project execution to assist in identifying cost-saving measures, rationalization and better use of human resources. However, sustainability is also contingent on a healthy economic performance, which in Djibouti’s case remains fragile.

8. Lessons Learned from Past Operations in the Country/Sector

- Simplicity and flexibility: When institutions are weak, project design should be simple as well as flexible. Stakeholders should be involved at the very early stages of project development. Content and targets of this operation are realistic and are conceived following consultations including missions, field trips, meeting with the administration, school staff, community representatives, and the donor community.
- Implementation, including procurement arrangements, should be clearly established at an early stage. In addition to lessons learned from the first phase implementation experience, fiduciary assessments have been carried out in the areas of procurement, financial management, social, and environment. Findings of these assessments have been incorporated in the project design and implementation plans.
- School construction design, maintenance and cost concerns should be addressed right from beginning. A study and an assessment have been carried out as input to the present project and options presented that bring costs in line as much as possible with the system’s sustainability requirements.
- Alongside efforts to increase access (focus of the first phase), quality concerns should also be addressed. The project pays special attention to learning achievements.
- Inclusion of the hard-to-reach is essential. The project supports strategies targeting the poor, vulnerable children, girls, street children, orphans, children with disabilities, etc.
- More coordinated efforts during the preparation phase with donors to avoid duplication. The project has had several concerted meetings with the Government and the donor community to reinforce strategies and pool resources.

9. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP/GP 4.01)	[X]	[]
Natural Habitats (OP/BP 4.04)	[]	[]
Pest Management (OP 4.09)	[]	[]
Cultural Property (OPN 11.03 , being revised as OP 4.11)	[]	[]
Involuntary Resettlement (OP/BP 4.12)	[]	[]
Indigenous Peoples (OD 4.20 , being revised as OP 4.10)	[]	[]
Forests (OP/BP 4.36)	[]	[]

Safety of Dams (OP/BP 4.37)	[]	[]
Projects in Disputed Areas (OP/BP/GP 7.60)*	[]	[]
Projects on International Waterways (OP/BP/GP 7.50)	[]	[]

10. List of Factual Technical Documents

Environmental Management Plan – December 13, 2004
 Social Assessment - December 2004

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* *By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas*

